

International Insurance Regulation

INTERNATIONAL INSURANCE REGULATION

Country/Region	Description
European Union	The European Union (EU) is a grouping of 27 European countries which have agreed to a process of cooperation and integration in economic, political and judicial affairs. The body of legislation created at the EU level, which has evolved over several decades, has an important impact on insurance in member states as the EU works to complete the implementation of the Financial Services Action Plan (FSAP) adopted in May 1999. The FSAP has three objectives: a single market for wholesale financial services; open and secure retail markets; and state-of-the-art prudential rules and supervision.
Canada	There are two levels of insurance supervisory authority: one at the federal level and the other at the local provincial level. The federal regulator is the Office of the Superintendent of Financial Institutions (OSFI), established in 1987 by an act of parliament. The OSFI supervises and regulates all banks and all federally incorporated or registered trust and loan companies, insurance companies, co-operative credit associations, fraternal benefit societies and pension plans with regard to financial solvency, prudential supervision, capital and governance rules, including dynamic capital testing and risk assessment. If a company is incorporated only at a provincial level, the provincial authorities take on the responsibility for the prudential supervision and each province has a superintendent or equivalent, for example, the Financial Services Commission of Ontario in that province. A trend has been evident over the past three or four years for those companies registered only at the provincial level to transfer, with official backing and encouragement, to federal regulation.
Japan	The insurance supervisory authority is the Financial Services Agency (FSA), a "super-regulator" which is responsible for supervising the entire financial services sector. The FSA was originally established on July 1, 2000 as an agency of the Financial Reconstruction Commission (FRC). However, following a ministerial reorganization, which took place on January 6, 2001, the FRC was abolished and the FSA assumed sole responsibility for financial supervision under the authority of the Cabinet Office. A special minister appointed by the prime minister is responsible for the activities of the FSA, though the organization itself is headed by a commissioner. The current commissioner is Hirofumi Gomi.
China	<p>The insurance supervisory authority is the China Insurance Regulatory Commission (CIRC), which took over from the original supervisor, the People's Bank of China (PBOC), on January 1, 1999. The CIRC was originally constituted as a government division but was elevated in 2003 to a ministerial public service department, which gives it the same status as China's other financial market regulators, the China Securities Regulatory Commission and the China Banking Regulatory Commission. The CIRC reports to and carries out administrative functions delegated by the State Council. The CIRC responsibilities include:</p> <ul style="list-style-type: none"> ● formulating strategy for the development of the insurance industry ● drafting insurance laws and regulations ● licensing insurance companies, foreign branches, intermediaries, insurance asset management companies and foreign representative offices ● approving mergers, takeovers and share purchases ● organizing bankruptcies and liquidations ● approving senior management appointments ● approving policy forms and premium rates ● supervising solvency and market conduct ● penalizing irregularities, including the conduct of unauthorized insurance business ● managing the policyholders' protection fund

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